



October 10, 2006

**SUBJECT: Amendment of Outside Counsel Agreement for Sunnyvale
Town Center Redevelopment Project Matters****REPORT IN BRIEF**

Approval is requested for an amendment to a contract with the law firm of Hanson Bridgett Marcus Vlahos & Rudy, LLP, to assist the City Attorney with legal matters pertaining to the Sunnyvale Town Center redevelopment project. The current contract provides for fees not to exceed \$50,000.

BACKGROUND

Howard W. Ashcraft, Jr., a specialist in construction law and litigation, and Richard J. Stratton, a specialist in real estate law and litigation, both partners with the law firm of Hanson Bridgett Marcus Vlahos & Rudy, LLP, were retained by the City Attorney under Section 908 of the City Charter to represent the City and provide legal services, consultation and advice on issues and matters pertaining to the Sunnyvale Town Center. The City's current contract with Hanson Bridgett Marcus Vlahos & Rudy, LLP commenced on September 1, 2006, in an amount not to exceed \$50,000.

DISCUSSION

Due to the complexity and specialized legal expertise required for redevelopment matters, the City retained Howard W. Ashcraft, Jr. and Richard Stratton of Hanson Bridgett Marcus Vlahos & Rudy, LLP on matters pertaining to the Sunnyvale Town Center redevelopment project. Continuation of these services will require an amendment to the professional services contract for an additional amount of \$100,000 (bringing the total contract amount to \$150,000) to cover on-going legal services under the current contract. The cost estimate is based on the hourly rate for partners at \$450-475 per hour and other attorneys on staff at the rate of \$260-\$420 per hour with a potential of 400-500 hours of legal services, depending on the status of the Sunnyvale Downtown Center redevelopment project. These rates are competitive with other legal firms providing similar services.

FISCAL IMPACT

Total cost for an amendment of this contract for legal services will not exceed \$150,000. Funds are currently available out of the City Attorney's various operating and project budgets. Because these services were not contemplated at the time the 2006-07 budget was submitted it may be necessary to request a

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budget modification in the future if expenditures on this and other matters exceed the current budget.

PUBLIC CONTACT

Public contact was made through posting of the agenda on the City's official notice bulletin board, posting of the agenda and report on the City's web page, and the availability of the report in the Library and the City Clerk's office.

ALTERNATIVES

1. Approve an amendment to increase the contract with the law firm of Hanson Bridgett Marcus Vlahos & Rudy, LLP in an amount not to exceed a total of \$150,000 and delegate to the City Attorney authority to execute the amendment to the contract with Hanson Bridgett Marcus Vlahos & Rudy, LLP.
2. Do not approve an amendment to the contract with Hanson Bridgett Marcus Vlahos & Rudy, LLP.

RECOMMENDATION

It is recommended that Council approve an amendment to the Outside Counsel Services Agreement with Hanson Bridgett Marcus Vlahos & Rudy, LLP for legal services in a total amount not to exceed a total of \$150,000.

Prepared and reviewed by:



David E. Kahn, City Attorney
City Attorney's Office

Attachments:

Attachment A - Draft Amendment to Outside Counsel Agreement

**FIRST AMENDMENT TO
OUTSIDE COUNSEL SERVICES AGREEMENT
BETWEEN THE CITY OF SUNNYVALE AND
HANSON BRIDGETT MARCUS VLAHOS & RUDY, LLP**

The Outside Counsel Services Agreement dated September 1, 2006, by and between the CITY OF SUNNYVALE, a chartered city ("City") and its REDEVELOPMENT AGENCY, and HANSON BRIDGETT MARCUS VLAHOS & RUDY, LLP, ("Outside Counsel") for the purpose of providing legal services to the Redevelopment Agency of the City of Sunnyvale related to litigation and related matters in connection with the Sunnyvale Town Center redevelopment project, is hereby amended as set forth below.

1. Section 3.1 is hereby amended to read as follows:

3.1 Compensation.

Fees for all legal services provided hereunder shall be charged in accordance with Exhibit "A" which is attached and incorporated by reference. Exhibit "A" may be amended, from time to time, to alter fees and charges applicable hereto provided that a letter agreement is duly signed and approved by the Agency Attorney. The maximum to be expended under this Agreement is \$150,000 unless amended by the City Council.

2. Except as amended above, all other terms and conditions of the Agreement dated September 1, 2006, shall remain in effect.

IN WITNESS WHEREOF, City and Outside Counsel have executed this Amendment to Outside Counsel Agreement.

CITY OF SUNNYVALE

Dated: October ____, 2006

By

David E. Kahn, City Attorney

HANSON BRIDGETT MARCUS VLAHOS
& RUDY, LLP

Dated: October ____, 2006

By

Howard Ashcraft, Partner

Dated: October ____, 2006

Richard Stratton, Partner